

FREQUENTLY ASKED QUESTIONS TRANSPORTATION CORPORATIONS

What is a Transportation Corporation?

A Transportation Corporation (TC) is a not-for-profit entity formed with the purpose of developing and promoting a major transportation project. The TC acts in promoting the transportation project and promotes economic development in the state and will not act as the agent of any private interests. A TC is formed to facilitate the funding, promotion, planning, design, construction, maintenance and operation of a transportation project. The TC is a nonmember, non-stock corporation.

How does a TC form?

A TC is formed by at least three registered Missouri voters, each of whom is at least twenty one year old, filing an Alternative Funding application with the Missouri Department of Transportation (MoDOT). The application must include a proposed financial plan, preliminary plans and specification for a project and request that the Missouri Highways and Transportation Commission (MHTC) authorize the creation of a TC to act within a certain designated area.

The formation process involves:

- Submit an application to MoDOT to form a transportation corporation using MoDOT's Alternative Funding application. – A Conceptual Study or Plan is required to meet the preliminary plan requirements in the state statutes. This includes the project Purpose and Need Explanation, stating what conditions (safety, congestion, access, bike/pedestrian, roadway, bridge, etc.) will be addressed with the project solution or concept. Section 2-01 of MoDOT's Project Development Manual addresses Conceptual Studies for most projects. If there is a possibility of a significant environmental impact with the project, then an Environmental Assessment or Environmental Impact Statement document is required. Section 2-02 of the Project Development Manual defines the requirements of these documents.
- At the first MHTC meeting following receipt of a complete application, the MHTC will order a local public hearing.
- Notice and content of the public hearing should be coordinated with the appropriate MoDOT district office. Each county, city, town and village in which the project is located must be notified of the request for the project authorization.
- At a subsequent MHTC meeting, applicants must submit the results of the public hearing. The applicants may make a presentation regarding the project, but it is not required. If the MHTC finds that the project will improve the state highway and transportation system and the financing plan is feasible, the MHTC may approve the project.
- Preliminary plans and specifications must be submitted and approved prior to MoDOT entering into an agreement for the project. MoDOT considers

preliminary plans and specifications to show preliminary geometric details, included design criteria, proposed alignment, profile, tentative grade, tentative right-of-way, schematic intersection or interchange layouts, bypasses and pertinent topographic features. Detail plans are developed from these preliminary plans. The MHTC will take the following actions at this or a subsequent meeting:

- Approve the corporation's articles of incorporation,
 - Appoint the board of directors,
 - Appoint one or more non-voting advisors to the board,
 - Approve the corporation's bylaws (may be subsequent), and
 - Approve the final financing plan (may be subsequent) and final construction plans and specifications. (No project construction can begin until the financing and construction plans and specifications have received Commission approval).
- First Corporation Board Meeting– The corporation board should convene, elect a chairman, appoint an executive director, secretary, treasurer and other officers as needed, and adopt the bylaws.

How are the Board Members elected/appointed?

The board of directors, which can consist of any number of directors but not less than six, is established through appointment by the MHTC, for a term no longer than six years. The terms will be staggered in length, so that not more than one-third of the terms will expire in a given year. No person who owns land adjacent to the project shall serve on the board. The Commission will appoint one or more advisors to the board, who have no vote but have the authority to participate in all board meetings and discussions, either open or closed, and have access to all records of the corporation and its board of directors.

How can a TC help fund a project?

A TC may help fund a project by using any lawful funding method for a project, including imposing fees for services provided, charging and collecting tolls, issue tax-exempt bonds, and notes. However they are not authorized to collect taxes. The TC carries with it a property tax abatement.

Why do people choose to form a TC?

A TC is formed in order to facilitate specific transportation related projects in the state of Missouri and assist in economic development in Missouri. As an organization they assist the MHTC to plan, finance and construct a transportation project.

What is the role of MoDOT in a TC?

- The Missouri Highways and Transportation Commission is authorized to adopt reasonable administrative rules regarding TCs and has developed administrative guidelines for MoDOT's district offices to accomplish this.

- Preliminary plans and specifications must be submitted and approved prior to MoDOT entering into an agreement for the project.
- A TC must enter into an agreement with the Commission and receive Commission approval of the project's final plans and specifications and the final financial plan before construction of any project can occur.
- The MHTC must approve all projects as a necessary and desirable extension of the state system, subject to entering into a mutually satisfactory agreement regarding development and future maintenance of the project.
- The MHTC must appoint an advisor to the TC, approve modifications to plans, specifications and project description.
- The MHTC must approve issuing Commission bonds on behalf of a TC.
- The MHTC must approve right of way access, acquisition and condemnation and enter into an agreement to transfer project ownership to the Commission.

What is the local role in a TC?

The local role in a TC includes facilitating the necessary engineering coordination of any city streets and city utility improvements; facilitate the necessary engineering coordination of any county street improvements, as well as any land swapping. Property tax is assessed at state level; however, any abatement is subject to the approval of the local jurisdiction.

What is the difference between a TC and a Transportation Development District (TDD)?

Transportation Development Districts and Transportation Corporations have many differences. A TDD is formed as a political subdivision, while a TC is a not-for-profit entity with no stockholders. Both a TDD and a TC can issue bonds but only a TDD can levy taxes in order to repay the bonds. While a TC is formed through a vote by the MHTC following a public hearing, a TDD is formed by qualified voter approval after petitioning the circuit court.